JANUARY 1988

OREGON LABOR TRENDS

DECEMBER INDICATORS

UNEMPLOYMENT RATE

Oregon		*(Seas. Adj)*
Dec.	1987	5.8
Nov.	1987	5.6
Dec.	1986	7.8
U.S.		
Dec.	1987	5.8
Nov.	1987	5.9
Dec.	1986	6.7

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	*1977=100*	
Dec.	1987	119.0
Nov.	1987	118.5
Oct.	1987	118.0
Sept.	1987	117.3
Aug.	1987	117.3

DIFFUSION INDEX

Oregon		
Dec.	1987	56.2
Nov.	1987	55.4
Oct.	1987	53.5
Sept.	1987	55.4
Aug.	1987	60.9

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon		
Nov.	1987	$10.65
Oct.	1987	$10.45
Nov.	1986	$10.52

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland-Vancouver		
July	1987	321.6
Yearly change		1.6%
Annual Average	1986	316.8
Yearly change		1.4%
U.S.		
Dec.	1987	345.7
Yearly change		4.4%
Annual Average	1986	328.4
Yearly change		1.9%

Portland Hotline 221-4132

UNEMPLOYMENT STILL NEAR 6%

David Cooke

The Oregon unemployment rate continues to hover close to 6%. For eleven straight months, Oregon's seasonally adjusted unemployment rate hasn't varied more than half a percent above or below 6%. In December, the seasonally adjusted rate rose slightly, by 0.2%, but this increase is not as significant as the rate's low level. At 5.8%, December's unemployment rate is a sign of economic strength.

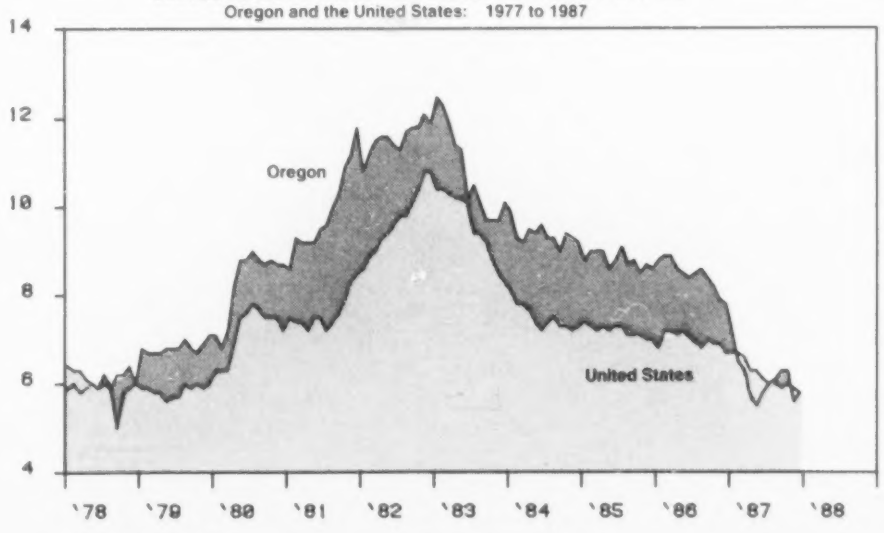
For a better understanding of the current unemployment picture we can look at three types of unemployed workers. One group of unemployed, whose numbers can change dramatically from year to year, are the cyclically unemployed. Cyclical unemployment is caused by periodic declines in business activity which in turn lessen demand for workers in the economy. Throughout 1987, cyclical unemployment has remained low.

A second group, the structurally unemployed, are those whose skills are mismatched with the skills required for available jobs. Structural unemployment also includes joblessness caused by discrimination, or by imbalances between geographic areas where jobs are available and where the jobless reside.

The final group of unemployed workers are the frictionally unemployed. These people are primarily just entering the labor force or have voluntarily quit one job to look for another. They are generally unemployed only for a short time. Economists estimate this group's percentage of the unemployed at between 3% and 6%. This level of unemployment is considered the lowest unemployment achievable, and is reached when the economy is at full employment. Because of this inevitable segment of the unemployed, the current 5.8% rate indicates a fairly tight labor market in Oregon.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES *

Oregon and the United States: 1977 to 1987



* Civilian labor force only

While the unemployment rate is staying at relatively low levels, what is happening to the number of jobs in Oregon? The nonagricultural wage and salary employment index provides a quick answer. This index is computed by dividing seasonally adjusted nonfarm payroll employment for a particular month by the 1977 annual average. The index value in the 1977 base year equals 100.0. In December, the index rose to 119.0, so Oregon now has almost one fifth (19%) more jobs than in 1977.

The wage and salary employment index graph shows an unmistakable trend. Since December 1982 (when employment had dropped to the 1977 level), the index shows how Oregon's economy kept growing at an unfaltering rate. There are no major peaks or valleys in the graph for the last five years, which means employment has been growing steadily. What's more, since late 1986, the index has been growing at an annual rate of about 4%.

Turning to the most recent employment totals, most major industry groups contributed to December's 0.5 increase in the employment index. The big gains came in nonmanufacturing.

Retailers enjoyed a better than expected Christmas, with a 500 seasonally adjusted employment increase in general merchandise stores leading trade's impressive 2,500 gain. On a seasonally adjusted basis, building materials & garden supplies gained 200 and wholesale groceries & related products rose by 300. Food stores were the exception, dropping 800 below expectations.

The robust gains in services were widespread. The following industry groups all recorded seasonally adjusted gains of 200 or more: hotels & other lodging places; health services except hospitals; educational services; professional, scientific, & art services; and other services not elsewhere classified.

Transportation accounted for the entire 1,300 increase in transportation, communication, and utilities. Trucking and warehousing jumped 1,000, mostly due to strong demand for holiday deliveries.

Construction also came through with a healthy December. Residential building contractors held employment level, when a 200 decrease is normal. Helped by more construction at the federal prison in Yamhill County, nonresidential building contractors boosted employment by 200. Heavy construction dropped 900, a typical drop for December.

Government and finance, insurance, & real estate were the only nonmanufacturing industries which performed below seasonal expectations. The major decline came in real estate & combination offices which experienced a seasonally adjusted drop of 800.

In manufacturing, employment trends were mixed. Food & kindred products was dominated by preserved fruits & vegetables which plummeted 400 more than expected to 8,000. Annual maintenance at some plants and a month lag of processing cycles both contributed to an unusually low employment count in this industry.

In other durables, ship/boat building started on new contracts, resulting in 900 additional jobs. Seasonally adjusted employment in electrical equipment & supplies and instruments & related products both increased by 100 over the month.

Employment in lumber & wood products was 400 higher than seasonally expected. Logging employment is now back to, if not slightly above, normal winter levels. The last two months have seen a resurgence in logging after extreme summer fire hazards kept loggers out of the woods. Sawmills & planing mills and millwork & structural wood are also doing well, both showing employment up 100 over seasonal expectations.

With December's data in, the annual averages now available show an impressive employment increase of 3.9% for lumber & wood products, with every segment adding jobs. Particularly impressive were sawmills and veneer & plywood, each adding 900 jobs over the year.

For the end of 1987, low unemployment rates and steadily increasing employment levels reflect continued improvement of the Oregon economy.□

RESIDENT OREGON LABOR FORCE

	DEC.[1] 1987	NOV.[2] 1987	CHANGE	%CHANGE	DEC.[5] 1986
CIVILIAN LABOR FORCE[3]	1,392,900	1,391,600	1,300	0.1	1,353,700
UNEMPLOYMENT	85,100	77,800	7,300	9.4	111,600
PERCENT OF LABOR FORCE	6.1	5.6	XXX	XXX	8.2
SEASONALLY ADJUSTED PERCENT	5.8	5.6	XXX	XXX	7.8
TOTAL EMPLOYMENT[4]	1,307,800	1,313,800	-6,000	-0.5	1,242,100

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1986 and January 1987, data for 1987 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

INDUSTRY	DEC.[1] 1987	NOV.[2] 1987	DEC. 1986	CHANGE FROM NOV. 1987	CHANGE FROM DEC. 1986
TOTAL[3]	1,118,300	1,121,900	1,072,800	-3,600	45,500
WAGE & SALARY EMPLOYMENT INDEX[4]	119.0	118.5	114.2	XXX	XXX
DIFFUSION INDEX[5]	56.2	55.4	53.5	XXX	XXX
TOTAL MANUFACTURING	201,100	204,400	192,700	-3,300	8,400
DURABLE GOODS	148,400	148,800	139,900	-400	8,500
LUMBER & WOOD PRODUCTS	66,500	67,500	64,400	-1,000	2,100
LOGGING & SAWMILLS	33,900	34,600	33,000	-700	900
VENEER & PLYWOOD	17,600	17,700	17,100	-100	500
MILLWORK & STRUCTURAL WOOD	9,800	9,900	9,500	-100	300
MOBILE HOMES	1,500	1,500	1,200	0	300
OTHER WOOD PRODUCTS	3,700	3,800	3,600	-100	100
FURNITURE AND FIXTURES	2,400	2,600	2,300	-200	100
STONE, CLAY, GLASS & CONCRETE	3,100	3,400	3,000	-300	100
PRIMARY METALS	9,500	9,500	8,400	0	1,100
BLAST FURNACES, IRON & STEEL	5,700	5,700	5,100	0	600
NONFERROUS METALS	3,800	3,800	3,300	0	500
FABRICATED METALS	10,700	10,800	10,200	-100	500
FABRICATED STRUCTURAL METALS	4,600	4,700	4,500	-100	100
OTHER FABRICATED METALS	6,100	6,100	5,700	0	400
MACHINERY	15,400	15,400	14,600	0	800
ELECTRICAL EQUIPMENT & SUPPLIES	13,800	13,700	12,700	100	1,100
TRANSPORTATION EQUIPMENT	11,500	10,600	9,800	900	1,700
INSTRUMENTS & RELATED PRODUCTS	12,200	12,100	12,000	100	200
MISCELLANEOUS MANUFACTURING	3,300	3,200	2,500	100	800
NONDURABLE GOODS	52,700	55,600	52,800	-2,900	-100
FOOD & KINDRED PRODUCTS	20,300	23,200	21,700	-2,900	-1,400
CANNING & PRESERVING	9,600	12,400	10,700	-2,800	-1,100
OTHER FOOD PRODUCTS	10,700	10,800	11,000	-100	-300
TEXTILE MILL PRODUCTS	1,600	1,600	1,500	0	100
APPAREL	2,400	2,400	2,400	0	0
PAPER & ALLIED PRODUCTS	8,800	8,800	8,800	0	0
PRINTING & PUBLISHING	12,900	12,800	11,900	100	1,000
CHEMICALS & ALLIED PRODUCTS	2,100	2,100	2,200	0	-100
PETROLEUM REFINING	400	400	400	0	0
RUBBER & PLASTIC PRODUCTS	3,800	3,900	3,400	-100	400
LEATHER PRODUCTS	400	400	500	0	-100
TOTAL NONMANUFACTURING	917,200	917,500	880,100	-300	37,100
MINING & QUARRYING	1,300	1,400	1,300	-100	0
CONSTRUCTION	34,800	36,500	31,000	-1,700	3,800
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	59,600	58,300	58,600	1,300	1,000
TRANSPORTATION	38,600	37,300	37,600	1,300	1,000
RAILROAD	4,000	4,100	4,200	-100	-200
TRUCKING & WAREHOUSING	22,900	21,900	22,200	1,000	700
OTHER TRANSPORTATION	11,700	11,300	11,200	400	500
COMMUNICATIONS	12,600	12,600	12,600	0	0
UTILITIES	8,400	8,400	8,400	0	0
TRADE	292,100	288,500	278,300	3,600	13,800
WHOLESALE TRADE	70,600	70,300	68,500	300	2,100
DURABLE GOODS	41,700	41,400	39,900	300	1,800
NONDURABLE GOODS	28,900	28,900	28,600	0	300
RETAIL TRADE	221,500	218,200	209,800	3,300	11,700
GENERAL MERCHANDISE	32,300	30,400	29,300	1,900	3,000
FOOD STORES	35,500	36,200	33,200	-700	2,300
AUTO DEALERS & SERVICE STATIONS	24,900	25,200	24,800	-300	100
OTHER RETAIL TRADE	128,800	126,400	122,500	2,400	6,300
FINANCE, INSURANCE, & REAL ESTATE	72,400	72,700	71,300	-300	1,100
BANKING & CREDIT AGENCIES	24,000	23,800	24,000	200	0
OTHER FINANCE, INSURANCE, & REAL ESTATE	48,400	48,900	47,300	-500	1,100
SERVICES	248,500	247,700	235,000	800	13,500
HOTELS & PERSONAL SERVICES	26,000	26,200	24,600	-200	1,400
HEALTH SERVICES	77,100	76,500	73,700	600	3,400
OTHER SERVICES	145,400	145,000	136,700	400	8,700
GOVERNMENT	208,500	212,400	204,600	-3,900	3,900
FEDERAL GOVERNMENT	30,100	30,300	28,500	-200	1,600
STATE GOVERNMENT	58,400	59,800	56,100	-1,400	2,300
EDUCATION	25,200	25,600	25,000	-400	200
OTHER STATE	33,200	34,200	31,100	-1,000	2,100
LOCAL GOVERNMENT	120,000	122,300	120,000	-2,300	0
EDUCATION	76,600	78,500	77,200	-1,900	-600
OTHER LOCAL	43,400	43,800	42,800	-400	600
LABOR - MANAGEMENT DISPUTES	100	100	0	0	100

1/ Preliminary
2/ Revised
3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.
4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).
5/ The Diffusion Index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

1988 ECONOMIC OUTLOOK

Jeff Hannum

How will Oregon's economy fare in 1988? Not as good as in 1987, which will probably go down as the best year of the 1980s, but better than you might think, especially in light of last fall's stock market crash...or was it a correction?

By now, you've probably listened to enough economic oracles to realize that the Nation's economy will either slip into a mild recession, enter a "growth recession," continue to expand at a moderate rate, or even pick up speed in 1988. Since all of these alternatives are possible depending on the reactions of consumers, the Federal Reserve Board, and other key players in the economy, we are still faced with a great deal of uncertainty regarding the year ahead. This uncertainty is magnified in today's complex economy by huge foreign trade and federal budget deficits, a growing dependence on international cooperation to avoid recession, and by volatile swings in the financial markets. Add to this the record length of the current expansion (now in its sixth year) and last fall's near meltdown of the stock market and it's no wonder that 1988 economic forecasts run the gamut from recession to a possible mini-boom.

To get a better idea of how Oregon's economy will perform in the coming year we need to look at some key economic trends and policies, and then make some assumptions about their probable course in 1988.

On the income side, however, taxpayers will get to enjoy one last tax cut before the pendulum begins to swing back after the election.

National fiscal and monetary policies always have a major impact on Oregon, both directly and indirectly. Since the early 1980s, fiscal policy, as reflected in the federal budget, has been a major stimulus for economic growth. Although Oregon didn't benefit much from the reordering of national spending priorities from domestic to defense-related programs, we did benefit from a series of large income tax reductions. While these tax cuts, along with further growth in federal spending, created enormous budget deficits, they helped to fuel a consumer spending boom. Now, there is a growing realization, even in Washington D.C., that these chronic and large deficits are undermining the economy and need to be reduced. Although we are not likely to see a significant tightening in fiscal policy in this election year, the tide has begun to turn in the direction of more spending restraint. On the income side, however, taxpayers will get to enjoy one last tax cut before the pendulum begins to swing back after the election.

As fiscal policy becomes less stimulative, the role of the Federal Reserve and monetary policy will become even more important for sustaining economic growth. The FED, however, faces a major policy dilemma. Normally, when the FED wants to stimulate the economy it allows the money supply to grow faster and reduces key interest rates. But in today's global economy, the FED has less latitude to do this because of the Nation's huge budget and foreign trade deficits and the precarious state of the dollar which has already lost about 50% of its value against other major currencies since 1985. If the FED eases up too much, it risks a renewed free-fall in the dollar's value which would ignite inflation. And even if interest rates dropped initially, they would soon be forced up again due to expectations of higher inflation and the need to finance the deficits.

However, if the FED is too concerned about rekindling inflation and stabilizing the dollar, it might not provide enough monetary stimulus to prevent the economy from slipping into a recession in 1988. Some economists think that it may already be too late, citing very slow money growth over the past year, except for a period following the stock market crash.

While the FED will be walking a tightrope in 1988, increased coordination of economic policies between the U.S. and other key industrial countries, a slowing domestic economy, plus significant improvement in our balance of trade should allow for some easing in monetary policy and lower interest rates, at least in the first part of the year. Although inflation is expected to be moderate (about 4%) in 1988 due to lower oil prices and a slower economy, its longer term trend is upward because of delayed impacts from the dollar's steep slide.

A major question mark for the FED and other policy makers this year will be the rate at which consumer spending slows down. Consumer spending, which accounts for about two-thirds of the total economy, has been the primary source of support for the current record-long economic expansion. Last year, even before October 19, consumers were beginning to cut back due to heavy debt burdens, weak income gains, low savings, and higher inflation. Although consumer confidence and retail sales held up better than expected following the stock market collapse, some further weakening is widely expected in 1988. This slowdown will be cushioned, in part, by several factors including large 1987 tax refunds, a 1988 federal income tax cut, record high employment, low unemployment, and a moderate inflation rate.

While slower consumer spending will be a drag on the economy, higher capital spending and export sales will be picking up some of the slack.

While slower consumer spending will be a drag on the economy, higher capital spending and export sales will be picking up some of the slack. The major reason for this is the dollar's sharp decline in foreign exchange value since 1985. Just as in the first half of the 1980s when the soaring value of the dollar priced many U.S. products out of the market and caused widespread industrial restructuring and layoffs, the falling dollar is now revitalizing these industries. Not only are foreign sales rising, but domestic sales are also expected to benefit as consumers buy more domestic products in the face of sharply rising import prices.

Due to the strong pick-up in overseas demand, some export-oriented industries are already bumping up against capacity limitations. The pulp and paper industry in Oregon is just one example. Most of the boost in capital spending in 1988 will be in machinery and equipment designed to modernize and increase capacity and productivity. This should bode well for a number of Oregon manufacturing industries, especially metals, machinery, and high technology firms.

The lower dollar is also encouraging more capital investment in the U.S. by foreign firms. Oregon, for example, will benefit in 1988 and beyond by large Japanese investments in new and expanded high technology plants.

Oregon's most important basic industry, forest products, is coming off a record-breaking year. While the pulp and paper side will be straining to meet demands, lumber and wood products

will begin to lose some steam. The main reason will be a drop in U.S. housing starts due to growing uncertainty about the economy. If the stock market had not crashed last October, however, interest rates would be even higher in 1988 and the expected downturn in housing construction would probably be more severe. Lumber and plywood exports should continue to rise, offsetting some of the weakness in housing. Employment in the lumber and wood products industry is likely to slip this year due to lower overall production and also log supply shortages this winter as a result of last fall's forest fire restrictions. The possibility of a strike when labor contracts expire this summer also exists since workers will be trying to reinstate wages and benefits given up two years ago.

Oregon's diverse agricultural and food processing industries will also benefit from the lower dollar and improved export sales prospects. Production levels and employment, however, may not reflect this for several reasons. First, last year's drought conditions, especially in Eastern Oregon, will probably reduce crop yields in 1988. Wheat acreage reductions under the CRP program to help reduce the grain surplus will also be a factor. The biggest potential negative impact on farm and food processing employment this year would occur if strawberry growers decide to sharply reduce plantings due to large carryover supplies, low prices, and concerns over labor shortages and the new Immigration Reform law.

The outlook for Oregon's tourism and recreation-related industries in 1988 is for continued strength. High employment levels, both in Oregon and in key neighoring states, tax refund windfalls, and the apparent belief by many people that vacations are as much a necessity as a luxury, should ensure another good year. Even the dollar's decline may benefit tourism-related industries by encouraging more foreign visitors to the State.

To sum up, Oregon's economy, like the Nation's, will lose some steam in 1988, primarily due to weaker consumer spending for durable goods and a slowdown in housing construction and related sectors. But stronger capital spending and export demands, coupled with tax reduction and an accommodative monetary policy, should be able to sustain the current expansion through at least another year. Although total employment in Oregon is expected to continue growing, the unemployment rate may well rise a little from 1987's 6.1% average. Beyond 1988, prospects of a recession are much greater due to rising inflation, tighter fiscal policies, and a decline in consumer spending. □

Due to limited space, this table was omitted from December's issue of **Oregon Labor Trends**. The table was cited in an article announcing a new LMI publication entitled **Oregon Covered Employment and Payrolls by Industry and County, 1986**.

AVERAGE ANNUAL PAY IN 1986

Oregon	18,300
Eugene-Springfield MSA	17,100
Medford MSA	16,800
Portland PMSA	19,900
Salem MSA	16,300
Baker	14,900
Benton	18,500
Clackamas	18,200
Clatsop	17,100
Columbia	19,800
Coos	17,100
Crook	17,700
Curry	14,600
Deschutes	15,800
Douglas	18,000
Gilliam	15,800
Grant	16,900
Harney	16,900
Hood River	14,500
Jackson	16,800
Jefferson	16,800
Josephine	14,700
Klamath	16,400
Lake	17,000
Lane	17,100
Lincoln	14,600
Linn	18,600
Malheur	13,000
Marion	16,300
Morrow	16,400
Multnomah	20,400
Polk	15,800
Sherman	15,400
Tillamook	14,200
Umatilla	14,800
Union	16,100
Wallowa	15,400
Wasco	14,400
Washington	20,200
Wheeler	15,200
Yamhill	16,600

HOURS & EARNINGS

Graham Slater

The following is a continuation of last month's article which focused on the usefulness of the Hours & Earnings economic series and began with a discussion of average weekly hours. This month, we'll look at the average hourly earnings series which can be very useful for economic analysis and business planning.

Average Hourly Earnings (AHE)

The main use for average hourly earnings is undoubtedly as a tool for comparison. These comparisons fall into five categories:

1. Comparisons Between Industries: According to 1986 annual average data, the "average" production worker in paper & allied products earned $15.09 per hour, whereas the same worker in textiles managed only $6.38.

2. Comparisons Between Areas of a State: AHE for lumber & wood products in Eugene was $11.10 in 1986. In Salem, the corresponding figure was $10.31. Further analysis would be necessary to determine whether this was due to inherently different wage rates, or merely to some structural difference in the composition of the industry.

3. Comparisons Between States: Hours & earnings data are produced for all states and the Nation. Both individuals and companies may want to compare wage levels in different states. The following (1986) examples show that differences may be quite large:

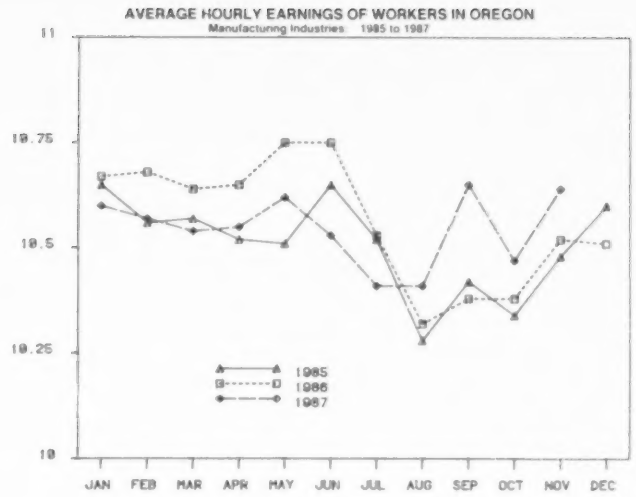
	Oregon	California
Heavy Construction	$14.59	$18.42
Primary Metals	$11.82	$10.02

4. Comparisons Between Different Time Periods: It is often important to know whether incomes have kept pace with the increasing cost of living. After allowing for inflation (in constant 1986 dollars), the average hourly earnings of a production worker in fabricated metals has fallen by 13.2% in the past ten years, while the corresponding income in the food processing industry has dropped 14.3%.

5. Comparing a Particular Firm with the Industry Norm: This use is especially important in the negotiations leading up to eventual agreement on labor contracts. Depending on what the statistics

show, either side in a labor/management dispute may wish to use the data to their advantage. For example, representatives of the labor point of view would certainly wish to use AHE data if the machinery firm X pays $9.42 compared to the industry average of $10.96. On the other hand, management negotiators for firm Y, also in the machinery industry, would be quick to point out that Y already pays $13.12, well above the norm. AHE may also be included as part of the contract, with an agreement that subsequent wage increases will reflect changes in that industry's average hourly earnings.

It is important to note that strict confidentiality rules govern the Employment Divison's use of hours and earnings data and that only industry averages are released. □



AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Nov.[2] 1987	Oct.[3] 1987	Nov. 1986	Nov.[2] 1987	Oct.[3] 1987	Nov. 1986	Nov.[2] 1987	Oct.[3] 1987	Nov. 1986
TOTAL MANUFACTURING[4]	$422.81	$405.46	$414.49	39.7	38.8	39.4	$10.65	$10.45	$10.52
Durable Goods	428.13	411.06	424.76	40.2	39.0	40.3	10.65	10.54	10.54
Lumber & Wood Products	428.93	399.62	434.11	39.9	37.7	40.8	10.75	10.60	10.64
Logging & Sawmills	451.19	403.21	457.47	39.2	35.4	40.7	11.51	11.39	11.24
Veneer & Plywood	425.77	414.86	437.19	40.9	40.2	42.2	10.41	10.32	10.36
Millwork & Structural	376.16	367.11	351.39	41.2	40.7	39.0	9.13	9.02	9.01
Mobile Homes	318.95	332.48	297.98	35.4	36.1	33.9	9.01	9.21	8.79
Other Wood Products	421.54	411.29	444.80	40.3	39.7	41.3	10.46	10.36	10.77
Furniture & Fixtures	383.17	341.69	334.56	38.9	36.9	40.8	9.85	9.26	8.20
Primary Metals	528.53	495.93	483.21	42.9	41.5	41.3	12.32	11.95	11.70
Fabricated Metals	372.67	369.20	364.60	39.9	40.0	38.5	9.34	9.23	9.47
Machinery (Ex Electrical)	451.00	452.24	446.71	41.3	41.3	40.1	10.92	10.95	11.14
Nondurable Goods	407.90	390.66	385.97	38.3	38.3	36.9	10.65	10.20	10.46
Food & Kindred Products	321.57	313.29	308.17	36.5	37.7	34.9	8.81	8.31	8.83
Canning & Preserving	265.18	269.97	249.80	34.8	37.6	32.4	7.62	7.18	7.71
Other Food Products	409.90	402.72	399.25	39.3	38.1	38.8	10.43	10.57	10.29
Textile Mill Products	264.58	240.07	248.18	38.4	36.1	38.3	6.89	6.65	6.48
Apparel	218.50	222.27	214.44	36.6	36.2	37.1	5.97	6.14	5.78
Paper & Allied Products	677.82	641.72	618.14	42.9	40.9	41.1	15.80	15.69	15.04
Printing & Publishing	449.76	442.44	429.79	37.7	37.4	36.3	11.93	11.83	11.84
Construction[4]	473.55	504.99	460.33	35.0	36.7	34.2	13.53	13.76	13.46
Communications & Utilities[5]	538.33	516.49	532.11	41.0	40.1	41.8	13.13	12.88	12.73
Trade[5]	289.48	293.38	288.49	33.7	33.8	33.9	8.59	8.68	8.51
Wholesale Trade	391.83	400.98	407.58	37.0	37.3	37.6	10.59	10.75	10.84
Retail Trade	242.47	241.39	235.47	32.2	32.1	32.3	7.53	7.52	7.29
Banking & Insurance[5]	327.55	316.87	314.85						
State & Local Government	364.97	371.41	352.51						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
2/ Preliminary
3/ Revised
4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
5/ Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

THE OREGON POPULATION ESTIMATES (1987) RIDE AGAIN!

Duane Ackerson

In the 19th century, the U.S. Cavalry made an attempt to introduce the camel to the American west. The west was regarded as a close enough approximation to its native habitat to make the experiment a guaranteed glorious success. This try at transplantation was a total failure, and resulted very quickly in camel out-migration. Oregon, however, has endured a sort of camel trip into the eighties thanks to the 1980-82 recession. Hopefully, we're over the hump. Over, that is, if population trends are regarded as a good indicator of people's response to economic trends.

After a statewide dip of 14,300 (-.5%) from July 1, 1985 to July 1, 1986, Oregon registered a population increase of 28,500 in the corresponding 1986-87 period. This growth (1.1%) is quite impressive when we consider that the overall timespan 1980-87, with an increase of 1.9% (50,085), did not even double the 1986-87 increase. The 1986-87 bump up was the largest such swing since the July to July 1979-80 period, when Oregon's population grew by 55,565, or 2.2%.

Return with us now to those thril...well, anyway, to 1980. The July 1, 1980 population estimate, extrapolated in part from the April 1, 1980 census figure, came too early to reflect the impact of the impending 1980-82 recession, as did even the July 1, 1981 estimate, made when the first cycle of the recession was under way. However, the 1982 and 1983 estimates show a "double dip" in population that mirrors, in the delayed fashion we might expect, the "double dip" recession. Oregon got over both humps of this economic setback after the dromedary trip across the desert became, instead, a bumpier Bactrian camel ride. But the aftermath of the "double dip" was not all ice cream, either. Oregon residents in search of jobs went to California, the most popular state for out-migration, Texas, and other locales. Though times were improving by then, this outward movement may have been reflected somewhat in the earlier-mentioned 1985-86 population drop. Like the other two such events in the eighties in Oregon, this decline is attributable not to a negative natural increase (births minus deaths) but to out-migration in excess of in-migration.

The 1985-86 setback turned out to be temporary. While 1985 (at 2,675,00) reached a higher level than any year since 1981's 2,660,735, only to lose ground by mid-'86, 1987 was 15,000 people higher than even the previous 1985 peak.

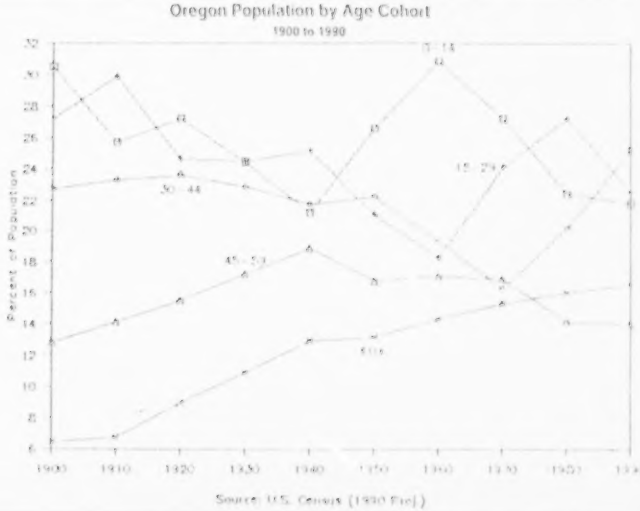
Let's take a moment to examine the longer term growth in Oregon's population since Great Grandma was knee-high to a census taker, looking at these changes by age cohort. The two graphs examine census data for these age groups by ten year increments from 1900 through the 1990 projection prepared by PSU's Center for Population Research and Census.

The largest percentage increase of any group was in the 60+ cohort, which represented 6.4% of the total in 1900, and will be near 16.6% in 1990. With continued advances in medical technology, we can expect the percentage in the 60+ group to continue to grow. This growth, combined with the post-WWII baby boom, may represent a real crisis for the social security system by 2010, if Oregon trends approximate those for the Nation. Of course, faced with increased longevity, the government may choose the expedient of increasing the age at which workers qualify for social security, thus postponing the crisis to 2020. The largest decrease in percent was in the 0-14 group, which will decline from 30.5% (1900) of the total to 21.8% (1990). The line graph clearly shows the aging of the baby boomers, with the 0-14 group peaking at 30.8% in 1960 and declining to 21.8% by 1990. The ripple effect of this boom is evident in the peaking of the 15-29 year old group in 1980, and shows up a decade later in the next group (30-44), predicted to reach a high of 25.2% by 1990.

In absolute terms, the increases are dramatic for all groups, reflecting a total population increase over ninety years of nearly 500%. The largest increase, in absolute terms, will be in the 30-44 year old group (631,423); the smallest (349,911), in the 45-59 group.

Generally, metropolitan counties were the biggest beneficiaries of the 1986-87 growth. Of these, only Multnomah lost ground.

Now, trading our time machine for another camel, let's return, more or less, to the present. Generally, metropolitan counties were the biggest beneficiaries of the 1986-87 growth. Of these, only Multnomah lost ground. The largest absolute change was registered



by Clackamas (6,900), followed by Washington (6,700), Lane (6,050), Jackson (3,300), Yamhill (1,300), and Benton (1,100) counties. All other counties to show a gain grew less than 1,000, though several less populous counties, such as Gilliam (2.8%) and Morrow (2.6%), showed healthy percentage increases. The seven top population losers, in descending order, were these: Multnomah (-4,200), Wasco (-1,200), Umatilla (-600), Tillamook (-300), Baker (-200), Jefferson (-200), and Wheeler (-100).

Another thought: perhaps one thing reflected in the population trends for Oregon is not only movement from rural areas to urban ones, but also a tendency on the part of younger people to leave the State and of older, retirement-age people to settle here. Perhaps we're seeing, on a statewide scale, the tendency of small towns to lose young people to the "city" and retain an older population. This pattern is accentuated by the drawing in of additional retirees attracted to the slower pace and lower prices of the small town. A comparison with age cohorts on the national level would show if this trend reflects more than the current national demographic trend toward an "aging" of our population. A partial comparison of this sort is attempted in the table which shows population growth in absolute numbers and as a percent of total population for both Oregon and the U.S. from the 1900 through the 1980 censuses. During each of the first seven decades, Oregon's 55+ population, as a percent of the total, outstripped the U.S. In 1980, this population was at 20.9% of the total for both Oregon and the U.S., perhaps reflecting the strong job market in Oregon in the late 70s and the tendency of in-migration of younger workers to offset growth of this older population as a percent of the whole. The 1986 estimate for Oregon shows that this older population has again increased to 21.9% of the total. Bureau of the Census estimates (in "The Older Population of the United States: An Overview"; March 3, 1983) for the U.S. for this age group show it at 21.1% in both 1982 and 1990, the closest years available to 1986.

Even in Texas lately, the job market hasn't been a gusher, as one ex-governor there has found. But who knows, maybe a lone (would-be) Texas Ranger, or some other employment range rider, is still out there on a ship of the desert that hasn't come in yet. □

Population Growth, Age 55 +, Oregon & U.S.

	OREGON			UNITED STATES (000)		
Year	Total	55+	% of Total	Total	55+	% of Total
1900	413,536	39,840	9.6	76,303	7,093	9.3
1910	672,765	68,115	10.1	91,972	9,004	9.8
1920	783,389	103,133	13.2	105,711	11,465	10.8
1930	953,786	147,841	15.5	122,755	15,031	12.2
1940	1,089,684	201,181	18.5	131,669	19,591	14.9
1950	1,516,180	277,400	18.3	150,697	25,565	17.0
1960	1,768,675	341,691	19.3	179,323	32,132	17.9
1970	2,091,385	431,946	20.7	203,302	38,588	19.0
1980	2,633,105	550,945	20.9	226,505	47,244	20.9

Source: Census data

OREGON POPULATION ESTIMATES

COUNTY	Certified July 1, 1987 Estimates	Population Change 1986-87	Percentage Change 1986-87
BAKER	15,300	-200	-1.3%
BENTON	69,200	1,100	1.6%
CLACKAMAS	255,100	6,900	2.8%
CLATSOP	33,100	200	0.6%
COLUMBIA	36,100	0	0.0%
COOS	57,500	0	0.0%
CROOK	13,500	0	0.0%
CURRY	17,200	300	1.8%
DESCHUTES	65,600	200	0.3%
DOUGLAS	93,000	300	0.3%
GILLIAM	1,850	50	2.8%
GRANT	8,500	150	1.8%
HARNEY	7,200	100	1.4%
HOOD RIVER	16,500	300	1.9%
JACKSON	141,700	3,300	2.4%
JEFFERSON	11,600	-200	-1.7%
JOSEPHINE	61,700	250	0.4%
KLAMATH	56,900	200	0.4%
LAKE	7,300	0	0.0%
LANE	267,700	6,050	2.3%
LINCOLN	37,600	700	1.9%
LINN	87,000	950	1.1%
MALHEUR	26,500	300	1.1%
MARION	214,500	5,300	2.5%
MORROW	8,000	200	2.6%
MULTNOMAH	562,000	-4,200	-0.7%
POLK	45,800	200	0.4%
SHERMAN	2,100	0	0.0%
TILLAMOOK	21,000	-300	-1.4%
UMATILLA	58,100	-600	-1.0%
UNION	23,300	300	1.3%
WALLOWA	7,150	-50	-0.7%
WASCO	20,400	-1,200	-5.6%
WASHINGTON	280,000	6,700	2.5%
WHEELER	1,400	-100	-6.7%
YAMHILL	58,400	1,300	2.3%
STATE	2,690,000	28,500	1.1%

Source:
The Center for Population Research and Census
Portland State University

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